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ABSTRACT

In 1988 the Collective Bargaining Forum, a private group of labor and business leaders, adopted a statement of principles recognizing that the institution of collective bargaining is an integral part of economic life in the United States. The purpose of the statement was to facilitate the spread of positive relations between labor and management based on mutual respect and trust. As a next step, the Forum has proposed a model compact for labor-management relations suggesting a new set of obligations and responsibilities that transcend and expand traditional collective bargaining relationships. The issues or practices that should be included in such a compact include: joint commitment to the economic success of the enterprise; joint commitment to the institutional integrity of the union; commitment by top management to employment security and continuity; worker participation and empowerment; conflict resolution; responsibilities in transforming industrial relations; and public policy principles. For each issue or practice, the Forum has also developed a set of guidelines which is both practical and consistent with the principles adopted earlier by the Forum. (A list of Forum members is appended.) (YLB)

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Views from the Collective Bargaining Forum

Labor–Management Commitment: A Compact for Change

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Foreword

The Collective Bargaining Forum was created to explore ways in which management and labor can work together to achieve their individual goals and those of our society. Since 1984, this prestigious group has sought consensus on the role of collective bargaining in helping the United States maintain a rising standard of living.

Two years ago, the Bureau published *New Directions for Labor and Management*, the Forum's statement of principles recognizing the institution of collective bargaining as an integral part of American economic life. *Labor–Management Commitment: A Compact for Change* sheds light on the next critical step—what it takes to translate those principles into action.

The Department of Labor's Bureau of Labor-Management Relations and Cooperative Programs commends the Forum's commitment to confronting important, yet difficult, issues. While the Bureau does not necessarily endorse all of the specific findings and recommendations of the Collective Bargaining Forum, it views such efforts as fundamental to furthering our national economic goals.

H. Charles Spring
Acting Deputy Under Secretary
Bureau of Labor-Management Relations and
Cooperative Programs

The Collective Bargaining Forum

The Collective Bargaining Forum is a private group of leaders from labor and business that meets periodically to discuss ways to improve the conduct of industrial relations and the performance of the American economy.

The Forum focuses on obtaining a clearer understanding and, if possible, agreements on those areas which, over time, will help our nation become a more effective competitor with a rising standard of living for America's men and women. While there are other labor-management groups addressing a number of critical national issues, few have attempted to deal with the collective bargaining process itself.

While views of individual members may vary on specific language and recommendations, there is general agreement on the major thrust of the compact.

Background

In 1988, the Collective Bargaining Forum adopted a statement of principles which recognized that the institution of collective bargaining is an integral part of American economic life. We recognized that unions cannot be expected to expand their work with management to improve the economic performance of domestic enterprises and to help those firms adopt to technological, market, and other changes, if they are not accepted by employers and public policy makers as having a legitimate and valued role in the strategic decisions of the enterprise and in public policy making. It was also clear to us that employers need to expand their cooperative efforts with unions to revitalize U.S. industry and retain and expand opportunities for secure well-paid jobs for American workers. To facilitate the spread of positive relations between labor and management based on mutual respect and trust, the Forum, therefore, urged adherence to the following principles:

- Acceptance in practice by American management both of the legitimacy of unions and of a broader role for worker and union participation.
- Acceptance in practice by American unions of their responsibility to work with management to improve the economic performance of their enterprises, in ways that serve the interests of workers, consumers, stockholders, and society.

- Encouragement of a public policy which assures choice, free from any coercion, in determining whether to be represented by a union and which is conducive to labor-management relations based on mutual respect and trust at all levels.
- Acceptance by American corporations of employment security, the continuity of employment for its work force, as a major policy objective that will figure as importantly in the planning process as product development, marketing, and capital requirements.

Underlying the statement adopted by the Forum, is a specific approach to competitiveness that implicitly rejects emulation of low wage foreign competitors in favor of the more positive view that "competitiveness is the ability of America in a world economy to produce domestically goods and services that will yield a return on capital adequate to attract new capital, provide jobs for the American work force, and promote a rising standard of living for the American people."

As a next step, the Forum began discussing substantive and procedural issues needed to put its principles into practice. It was believed that the Forum could develop a compact containing useful guidelines for contemporary labor-management relations. Such guidelines would be useful to companies and unions wanting to move to a more constructive or "high commitment" relationship.

Compact for Labor–Management Relations

Introduction

A model compact would suggest a new set of obligations and responsibilities which transcend and expand traditional collective bargaining relationships. More specifically, our purpose is to formulate standards or "rules of the game" with respect to certain fundamental aspects of the relationship. We recognize that in practice the precise form and emphasis these standards may take in a particular relationship is a matter for the parties themselves to determine. One thing is certain. What we envision requires the significant change by each party of views long held sacred. It cannot work unless both parties mutually adhere to the spirit of the understandings which form this compact.

What follows is a list of issues that should be included in such a compact. We cover those practices that we believe lie at the heart of contemporary labor-management relations. Special emphasis is given to several issues that have been discussed in prior meetings of the Forum. For each issue or practice, a set of guidelines is presented that we believe is both practical and consistent with the principles outlined in the Forum's first paper.

Joint Commitment to the Economic Success of the Enterprise

We believe that the broad diffusion of innovative labor-management practices across the economy will require acceptance in practice by American unions and management of their joint responsibility to work together to improve the economic performance of the enterprises in the United States in ways that serve the interests of workers, consumers, stockholders, and society. Accordingly, unionized enterprises must continue to produce products, provide services, and meet quality standards which match or surpass those of competitors. Unions and management owe an obligation to each other and to the American public to work jointly to achieve this goal. Indeed, there is a direct correlation between joint commitment to the long term economic success of the enterprise and the employment security of the work force. Signatories to a compact should jointly establish worldwide benchmarks for quality, productivity, and other mutually agreed upon relevant performance indicators as standards against which to measure their performance and to commit themselves to achieving such a goal.

We have identified the following statements as being consistent with this objective.

- In collective bargaining and beyond, signatories should gear economic considerations and work rule concepts to the realities of the marketplace and the needs of the consuming public, while maintaining a safe, healthy work environment and reasonable work practices. The parties should work together to increase productivity and enhance quality so that workers can enjoy a rising standard of living and the public can have

access to high quality goods and services at reasonable prices.

- Management needs to reflect these economic realities in its own internal operations including compensation, organizational structure, pricing, and investment decisions.
- Signatories should develop the leadership and technical skills of their people which are necessary to facilitate and manage change efforts and participatory processes.
- Where several unions represent the workers of an enterprise, cooperative inter-union mechanisms should be developed so that consistent processes are followed in dealing with management. Management on its part must be prepared to deal constructively and in the spirit of this compact with a multiplicity of unions, should employees choose such representation.
- Signatories should jointly develop ways to promote teamwork and employee involvement in the workplace, in the determination and administration of personnel policies and in strategic decisionmaking and actively participate in joint efforts to achieve these goals.

Joint Commitment to the Institutional Integrity of the Union

The Forum has recognized in its statement that the dissemination of cooperative labor-management innovations would be aided by the acceptance in practice by American management of both the legitimacy of unions as parties to their employment relationship and to a broader role for worker and union participation in their enterprises.

Union commitment to competitive economic performance of the company cannot become a reality without management acceptance and support of the union's roles both within the enterprise and throughout society as a whole. Indeed, the acceptance of collective bargaining as a legitimate mechanism within our democratic capitalist culture should be without question. Such acceptance and support should manifest itself by the signatories adhering to the following principles:

- The union can only help management achieve mutual economic goals for the enterprise when there is open and early sharing of information with appropriate safeguards before decisions are made. There is a direct relationship between the degree of union participation in the development of corporate strategies and the union's ability and willingness to help carry out the decisions reached.

- In furtherance of a more constructive labor-management relationship, public statements by management or the union denigrating the other party in general are counterproductive. When internal differences develop or when either party takes a contrary position on public policy issues, it should not be led to question the legitimacy and integrity of the other as an institution.
- We believe that the level and nature of cooperation between companies and unions will be importantly influenced by the ability of the parties to agree to how representation status will be determined in new facilities. Cooperation will be enhanced by a representation process which does not involve a contest between the parties. Employers and unions should share their thinking regarding how the representation question will be dealt with and when a new facility is in a current line of business discuss what work practices and policies are to be introduced. The representation options include extending union recognition under accretion principles, corporate neutrality, and a contested election. If a representation election is to be held, rules of conduct should be jointly established by the parties.

Employment Security Continuity

We are convinced that employment security is the key policy and program concept for reconciling the tensions between competitiveness and human values. Framed wisely, employment security can enhance the use of new technology and the motivation and competence of the work force.

We believe implementing this broad set of principles requires that:

- Top management must be committed to promoting employment security and continuity as a major corporate value and policy objective.
- Planning for employment continuity must figure importantly in the corporate planning process at the same level of attention as is given product development, marketing, and capital requirements.
- Permanent (involuntary) separation of workers will be an action of last resort. Companies will not regard their commitment as satisfied when permanent layoffs are deemed necessary until all reasonable support has been provided to aid in the reemployment of redundant workers.
- Investment in training and employee development must be adequate to maintain the employability of the work force for the jobs of the future. Labor and management should share in the administration of this obligation. Anticipating the consequences of new technology is especially important in this regard.

- In an environment where a commitment is made to job availability and innovative programs to facilitate career employment, we believe employees should take advantage of opportunities to engage in lifelong learning, training, and retraining to maintain the currency of their skills and capabilities. This must occur in an environment where a commitment is made to job availability and innovative programs to facilitate career employment within a diverse work force.
- Cooperation among employers and labor unions in local communities and industries must take place in the educating and training of the labor force in order to keep up with changing markets, technologies, and skill requirements. This is especially true for small employers. Thus, government, labor, and management should continue to develop community and/or industry-wide training initiatives and consortia to serve this purpose.

Worker Participation and Empowerment

We believe that union and employee participation on a sustained basis is one of the ingredients in dealing with competitiveness in our changing world. The standards defined below should help foster the development of such relationships.

- Both parties must commit to worker participation on the shop floor and beyond to provide continuous improvement in safety performance, product and service quality, employment security, productivity, work environment and such other goals as the parties may set.
- Participation programs must be carefully planned and employees and managers at all levels prepared for their new and changing roles. The union should take an active part with the company at every stage of the planning and in the conduct of any training for participants in the program. Such participation programs should be periodically evaluated to ensure that they are meeting mutual objectives.
- Participation programs can often lead to constructive and necessary changes in union or management structures or processes. However, participation programs must not be used as a device by which one party attempts to bypass, undermine or drive a wedge into the other's established internal structure. Such attempts will inevitably produce distrust and therefore doom any participation program. We believe it is vital that such matters be discussed openly between

labor and management leadership so that misunderstandings do not develop unnecessarily.

- Participation programs are most likely to succeed when employers freely share relevant information concerning the direction of the enterprise. With appropriate safeguards, union representatives and employees should be furnished relevant financial information, proposed business plans, and other materials which are needed to evaluate how the enterprise is performing and where it is headed. Such information sharing should take place in good times as well as in times of crisis.
- It is essential that employees have input in the design and application of new technology and in the planning and development of any new system for allocating work tasks.

Conflict Resolution

The Forum recognizes that even a highly cooperative relationship contains elements of conflict with which the parties need to deal. Maximum resolution of conflicting goals should be encouraged without destroying or jeopardizing the common bonds between the parties. It is in the interest of both parties to resolve differences fairly and amicably, without resort to strikes, lockouts, and replacement hiring. Coercion, distortion, fear campaigns, inflammatory conduct, corporate campaigns, protracted strikes, the use of violence by either party, and quasi-legal strategies to combat unionism or harass management are destructive by their nature. Tactics and strategies employed by either party should be consistent with an ongoing cooperative relationship if conflicts are to be effectively resolved.

Responsibilities in Transforming Industrial Relations

The labor-management relationship in the United States ranges on a continuum from highly confrontational to highly cooperative. We in the Forum believe that the more confrontational relationships are contrary to the needs of workers, employers, and a successful economy. Managements and unions should explore, with a sense of immediacy, steps to increase joint efforts. We recommend, therefore, that the following concepts receive thoughtful consideration:

- The joint exploration of the experiences here and abroad of unions and managements moving into successful innovative relationships. This may be followed with the initiation of new efforts by the parties to emulate the more constructive and effective aspects of the experience of others.
- A review by business and labor groups of the labor law and its administration with the objective of identifying those aspects which may impede or hinder achievement of a more positive climate. In addition, efforts should be undertaken to think through new concepts which would have the potential of improving the relationship between the parties.

Public Policy Principles

- We recognize that competitiveness, long term employment security, and other principles on which this compact are based depend on the parties' own efforts but also to a considerable degree on government policies ranging over a broad spectrum of subjects. Cooperative efforts to deal with workplace problems are not enough. It serves the mutual interests of the parties if those efforts are extended to the public policy arena as well. Accordingly, the parties should agree to work toward the development of joint positions and policies in dealing with executive and legislative branches of government on such matters as:

  Trade policies and export promotion

  Macroeconomic policies

  Reduction of the cost of capital

  Full employment policies

  National health care policies

  Infrastructure policies

  Labor law legislation and administration

  Worker training assistance

  Policies aimed at assisting worker adjustment and cushioning structural change

  Environmental policies

  Quality of and access to education

  Drug and alcohol abuse issues

- An expanding cooperative relationship requires over time a legal environment in which non-confrontational labor-management relations can flourish. The parties therefore need to work together to ensure that the laws guarantee a fair choice for employees without delay and provide a legal environment which is supportive of the development of constructive labor-management relationships.
- Government, at all levels from school districts to the national level, has the responsibility to produce needed workplace competence. Labor and management must assist government in providing new labor market entrants with the education, skills, and opportunities to advance in the labor markets of the future. This is especially important in the decade ahead as the labor force becomes more diverse in race, gender, and national origin.

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